

The new Workforce³ One.

Connecting Unemployment Insurance Claimants to Pell Grants:

A Collaboration between The Department of Labor
and The Department of Education

July 21, 2009



NOTE: Presentation modified by VDOL to only contain information useful to unemployed workers.

Workforce³One
Collaborate. Innovate. Transform.

Federal Student Aid

- Money to pay for college or postsecondary vocational school
- Includes:
 - Grants (not paid back)
 - Work-study (income from part-time job)
 - Loans (must be repaid)



Overview of Federal Aid Programs

■ Federal Pell Grants

- For undergraduate students who have not received a bachelor's or first professional degree
- Need-based: amount determined based on the ability of the student and the student's family to meet the costs of attendance
- No other aid is considered in determining Pell Grant eligibility
- \$5,350 current maximum award for a full-time student for a full academic year
- Amount is reduced for part-time or part-year attendance

Overview (cont'd)

- Campus-based Programs: Federal Supplemental Educational Opportunity Grants (FSEOG), Federal Work-Study (FWS), and Perkins Loans
 - Need-based: administered by financial aid offices at participating schools according to federal guidelines
 - FSEOG for undergraduates who have not received a bachelor's or first professional degree
 - FWS and Perkins Loans available to undergraduate or graduate students



Overview (cont'd)

- **Stafford, PLUS, and Consolidation Loans**
 - Low interest loans from the Department or commercial lenders
 - Subsidized loans awarded based on financial need
 - Unsubsidized loans are not need-based
 - Available to undergraduate and graduate students

Institutional Eligibility

- **Types of eligible institutions:**
 - Institution of higher education (public or private nonprofit)
 - Proprietary institution (private for-profit)
 - Postsecondary vocational institution (public or private nonprofit)
- **Eligible institution requirements:**
 - Authorized by the state to offer postsecondary education
 - Accredited by accrediting agency recognized by the Department of Education
 - Offers at least one eligible program of study



Program Eligibility

- Varies by type of institution
- For institution of higher education:
 - Associate, bachelor's, graduate or professional degree, or
 - At least a 2-year program acceptable for full credit toward a bachelor's degree, or
 - At least a 1-year training program that leads to a degree or certificate (or other educational credential) and prepares students for gainful employment in a recognized occupation; a 1-year training program must include at least –
 - 24 semester hours or 36 quarter hours with at least 30 weeks of instructional time; or
 - 900 clock hours with at least 26 weeks of instructional time

Unemployment Insurance Benefits, Approved Training, and Federal Student Aid

7

WorkforceOne
Collaborate. Innovate. Transform.

Program Eligibility

- For proprietary and postsecondary vocational institutions:
 - Must provide training that prepares students for gainful employment and that meets certain minimum standards
 - Generally, must be at least –
 - 15 weeks of instructional time in length, and
 - 16 semester hours, 24 quarter hours, or 600 clock hours in length

Unemployment Insurance Benefits, Approved Training, and Federal Student Aid

8



Program Eligibility

- Generally, doesn't include:
 - Programs that do not lead to a degree, certificate, or other recognized educational credential
 - Continuing education that is not an organized program of study
 - Individual courses taken for specific skills or knowledge enrichment
 - Remedial coursework that is not taken as part of a degree or certificate program
 - Corporate training programs

Student Eligibility Criteria

- U.S. citizen, permanent resident, other eligible noncitizens
- High school graduate/GED holder
- Enrollment in eligible degree/certificate program
- Valid Social Security number
- Males registered with Selective Service
- Satisfactory academic progress
- Not in default on a student loan or other Federal obligations

FAFSA Application Process

- Free Application for Federal Student Aid (FAFSA) required for federal aid
- Electronic version, FAFSA on the Web (FOTW), available at www.fafsa.gov
- Paper version available from school counselors or by calling 1-800-4-FEDAID
- PIN (Personal Identification Number) needed to sign the FOTW
- Tax forms, W-2 forms, and other financial records needed to complete FAFSA
- Expected family contribution (EFC) results sent to school and to student



Need Analysis Overview

- Family has primary responsibility to pay for educational costs
- Student (and parents, if applicable) are expected to contribute to the extent they are able
- Need-based funds can help with educational costs that exceed family's ability to pay

- Financial need = difference between college's cost of attendance (COA) and expected family contribution (EFC)
- Amount of financial need determines the aid a student will receive
- Financial need will vary by college because costs vary



Cost of Attendance (COA)

- COA includes:
 - Tuition and fees (charged to the student)
 - Room and board (meals)
 - Books, supplies, equipment, transportation, & personal expenses
 - Dependent or elder care expenses
 - Expenses associated with a disability
- COA varies by school/program

Expected Family Contribution (EFC)

- Amount family is expected to contribute toward college education each year
- Calculated from data collected on the FAFSA
- Formula specified in the statute
- EFC is the same regardless of college attended



EFC (cont'd)

- Relevant factors for calculation include:
 - Current earnings and family savings
 - Number in household
 - Number in college
 - Age of older student or spouse
 - Other information provided on FAFSA

- Income treatment:
 - Allowances for subsistence and non-discretionary expenses (such as taxes) are subtracted from total income.
- Assets considered in some circumstances
 - Special treatment for dislocated workers



- Income and result of asset assessment are added, and a portion of the total is determined to be available for educational expenses.
 - Result is reduced according to number of family members in college.

In the Aid Office: Determining Aid Amounts

- Finding the best combination of aid programs to meet the student's financial need, using
 - Statutory/regulatory limits
 - Available resources at the school
 - Institutional policies
- Combination of student aid and EFC must not exceed student's COA
- If financial aid from any source becomes available after packaging, awards must be reduced until total package does not exceed COA
- The financial aid administrator may make adjustments to EFC and COA based on the administrator's judgment if special circumstances warrant an adjustment.

In the Aid Office: Professional Judgment

- Financial aid administrators can make adjustments to the expected family contribution (EFC), based on a change in family's financial condition not reflected on the FAFSA
 - Professional judgment is an authority granted by the Higher Education Act to make these adjustments
 - The professional judgment process varies based on institutional size and type; it is optional, not required
- Terms to describe professional judgment can include "appeal" or "special conditions" or "special circumstances"

In the Aid Office: Professional Judgment

- Schools require student to document the circumstances that changed
- Examples of circumstances may include, but not limited to:
 - Unemployment
 - Divorce/separation of parents/student
 - Loss of income/benefit
 - Parent or spouse died after application filed
- Some schools have a specific form for the student to request a professional judgment review
- The decisions can vary from school to school, based on their philosophy

In the Aid Office: Professional Judgment (cont'd)

- Documentation may include
 - Letters from employer regarding termination
 - Unemployment letter from State agency
 - Death certificate
 - Divorce papers
 - Other documents to confirm the special circumstances

In the Aid Office: Professional Judgment (cont'd)

- Free Application for Federal Student Aid (FAFSA) must be filed using base-year income
- Adjustment to student's file cannot be processed until the FAFSA has been filed with correct information
- Many schools won't accept appeals or special circumstances requests until the student's application has been processed and EFC has been determined

In the Aid Office: Plan Ahead

- Professional judgment decisions can take time, due to the manual intervention required by staff
- Many offices are experiencing an increase in application volume
- Students should apply well in advance to ensure processing is completed before the start of attendance
- Students should be sure to respond quickly to requests for information from the school